



Natural Resources Conservation Service  
675 U.S. Courthouse  
801 Broadway  
Nashville, Tennessee 37203

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November 29, 2004

TENNESSEE BULLETIN NO. 440-05-2

SUBJECT: PGM – IMPLEMENTATION OF 2002 FARM BILL PROGRAMS

Purpose. To transmit guidance for the implementation of Farm Bill programs in FY 2005.

Expiration Date. September 30, 2005.

Listed below is general information and guidance for the implementation of Farm Bill programs for FY 2005:

Grassland Reserve Program (GRP)

The Grassland Reserve Program (GRP) will be revised, including the ranking criteria, rental agreement acreage size, and easement acreage size based on input from the State Technical Committee.

Mike Zeman is currently developing the new ranking criteria for FY 2005 applications for rental agreements and easements, along with specific guidance for program implementation. All prior year unfunded applications, both rental agreements and easements, are to be cancelled due to a lack of funds. Program applicants should be notified in writing promptly. A sample letter (Enclosure 1) is included for use, as appropriate.

Signup for GRP is continuous; therefore, field offices may accept applications for FY 2005 at this time. A cut-off date for scoring and ranking applications will be established at a later date. You may contact Mike Zeman for additional information.

Wildlife Habitat Incentives Program (WHIP)

The Wildlife Habitat Incentives Program (WHIP) operating procedures will continue to be the same as for FY 2004. The Ranking criteria, eligible practices, and cost-share rates will remain the same. Active previously unfunded applicants will be carried over from the previous fiscal year. The Average Cost List is proposed to be updated by late December 2004. Field staff should continue to accept and rank applicants and enter into ProTracts. Carol Chandler will establish a cut-off date for ranking, scoring, and approval of applicants at a later date. You may contact Carol Chandler for additional information.

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### Wetland Reserve Program (WRP)

The Wetland Reserve Program (WRP) operating procedures will continue to be the same as for FY 2004. Active unfunded applications from FY 2004 will be carried forward to FY 2005. Ranking criteria will remain unchanged. Field staffs should continue to accept and score applications and provide scoring information promptly to Mike Zeman. Mike Zeman will enter applicant information into the WRP database. He will also contact field staffs to determine interest for continuing in the WRP for FY 2004 applicants (backlog).

Selection of applicants approved for funding in FY 2005 will be determined by late December 2004. Larry Hasty, assisted by Mike Zeman, will complete ranking information in the WRP database and determine the highest ranked applicants. You may contact Larry Hasty or Mike Zeman for additional information.

### Environmental Quality Incentives Program (EQIP)

The Environmental Quality Incentives Program (EQIP) ranking criteria, average cost lists, list of eligible practices, and percent cost share for FY 2005 EQIP have been revised. All unfunded applicants carried over from FY 2004 should be cancelled due to lack of funds. Applicants should be notified in writing by using a ProTracts generated letter or by adapting Enclosure 1 to notify the applicants.

Funding will be provided to administrative areas based on a formula used in allocating funds within the state. Program applicants will compete within each administrative area using ranking criteria developed for the area. Average cost lists, eligible practices, and percent cost share have been developed for each area.

Field staffs should continue to take new applications and begin the scoring after receipt of the approved ranking criteria. Applicant information should be entered into ProTracts. Field staffs should review the Conservation Programs Manual, Part 515, 440-DPM, first edition, Amendment 24 (Oct. 2004), especially Subpart F on Program Eligibility. Eligibility determination is totally NRCS's responsibility.

The following restrictions have been established statewide for EQIP FY 2005 cost share: Maximum cost share for practice 317, Composting Facility, and 313, Waste Storage Facility (Litter Storage), is \$20,000 per contract. Maximum cost share for Streambank and Shoreline Protection, practice code 580, is \$20,000 per contract. Maximum cost share for Waste Storage Facility, code 313, and Waste Treatment Lagoon, code 359, is \$100,000 per contract for dairy and swine operations.

Ranking and scoring of applicants and approval for funding will continue to be on a quarterly basis with the first cut-off date being December 31, 2004. Funding allocations will be made to areas in December 2004.

Spot checks for applicants self-certifying as limited resource or beginning farmers will be conducted during the second quarter of FY 2005 (January-March 2005) as per CPM 515.81c and 515.113c. You may contact AnnSue Wattenbarger for additional information.

/s/

JAMES W. FORD  
State Conservationist

Enclosure